Board of Trustees
Tuition Planning Presentation
FY17- FY20
October 28, 2015
Agenda

• Academic Quality Advancements
• Tuition is an Important Part of the University Budget
• Increasing Costs and Declining State Funding
• Measures to Mitigate Against Budget Gap
• Comparison of UConn Tuition to Peers and Competitors
Student Success by the Numbers

• UConn is a Top 25 Public National University (19<sup>th</sup>) in <i>U.S. News & World Report</i> undergraduate ranking.

• UConn’s outstanding Retention & Graduation Success has contributed to this recognition.

• Among the 58 Public Research Universities, we rank:
  ✓ 14<sup>th</sup> in Freshmen Retention Rate at 93%
  ✓ 6<sup>th</sup> in Average Time to Degree at 4.2 years
  ✓ 15<sup>th</sup> in 6-year Graduate Rate at 83%
  ✓ 9<sup>th</sup> in 6-year Minority Graduation Rate at 82%
Outstanding Academic Success

UConn has improved by leaps and bounds over the last few years, including reduced time to graduation and increased educational quality.

UConn successes:

• Hired 260 new faculty
• Lowered student to faculty ratio from 18.3:1 to 16.8:1
• Increased number of class offerings by 33%
• Reduced class size throughout general education and science courses

UConn has made great strides and needs to continue moving forward
Tuition is 27% of Overall FY16 Operating Budget

**Revenues:** $1,294.6M
- State Support: 30%
- Tuition: 27%
- Fees: 9%
- Auxiliary Enterprise Revenue: 17%
- Grants & Contracts: 7%
- Research Fund: 8%
- Other Revenue: 2%

**Expenses:** $1,292.4M
- Personnel: 60%
- Debt Service / Projects: 3%
- Student Financial Aid: 11%
- Utilities, Equipment, Food Service, Cleaning, Lab Supplies, etc.: 18%
- Research Fund: 8%
Personnel Breakdown

Expenses: $1,292.4M

Personnel Breakdown

- Faculty: 41%
- Professional Staff: 33%
- Police/Fire/Facilities/etc.: 13%
- Graduate Assistants: 5%
- Leadership: 2%
- Other (student labor, temps, etc.): 6%
Some things tuition pays for….

Not a full list, for illustrative purposes only.
State Cuts to UConn

Over last 8 years, UConn has been cut by approximately $82M:

- $40M Rescissions
- $19M Fringe Benefits Return
- $23M Fund Balance Sweeps
State Support vs Mandated Salary/Fringe Increases

Since FY13, growth in State funding has been $32.4M less than mandatory salary & fringe increases.

<table>
<thead>
<tr>
<th>$ Millions</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mandatory Increases</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contractual Wage Increases</td>
<td>$0.0</td>
<td>$17.0</td>
<td>$19.6</td>
<td>$23.8</td>
<td>$60.4</td>
</tr>
<tr>
<td>Healthcare and Retirement Increases</td>
<td>$11.2</td>
<td>$21.1</td>
<td>$2.7</td>
<td>$14.1</td>
<td>$49.1</td>
</tr>
<tr>
<td><strong>Total Mandatory Increases</strong></td>
<td>$11.2</td>
<td>$38.1</td>
<td>$22.3</td>
<td>$37.9</td>
<td>$109.5</td>
</tr>
<tr>
<td><strong>State Support Increase</strong></td>
<td>$6.1</td>
<td>$19.6</td>
<td>$20.2</td>
<td>$31.2</td>
<td>$77.1</td>
</tr>
<tr>
<td><strong>Funding Gap</strong></td>
<td>($5.1)</td>
<td>($18.5)</td>
<td>($2.1)</td>
<td>($6.7)</td>
<td>($32.4)</td>
</tr>
</tbody>
</table>
Impact of Cuts

UConn has done the following to balance the University budget as a result of State cuts:

- Workforce reductions
- Slowing down of faculty hiring
- Academic program elimination and reduction
- Fewer Library collections
- Reduced Library hours
- Consolidation of academic units
- Less maintenance of facilities
- A reduced amount of Financial Aid
• Current FY17 Projected Budget Gap is $40.2M

• UConn is bracing for additional cuts in FY16 and a lower appropriation for FY17 due to recent State budget news
Goal: Keep UConn great by protecting quality in the face of shortfalls in State funding, through generation of the necessary resources and encouraging efficiency and cost reductions.
Tools Used for Balancing the Budget

UConn continuously uses the following tools to balance the budget:

Revenue Options
- Grow philanthropy
- Increase enrollment
- Offer more online and summer programs
- Grow entrepreneurial programs
- Increase Technology Commercialization & Business Incubation

Expense Options
- Reduce workforce through position elimination
- Cut academic programs and departments
- Streamline processes for cost reductions
- Promote efficiencies
- Slow down faculty hiring
As we consider tuition for FY17 – FY20, the University must balance the need for increased revenue by:

- Ensuring a great education for students
- Protecting the physical and mental health of our community
- Promoting diversity – geographic, ethnic, socio-economic, etc.
- Competitiveness
- Accessibility and affordability for students and families
Cost of Attendance in FY16

Current FY16 rates for in-state and out-of-state students.

<table>
<thead>
<tr>
<th></th>
<th>In-State</th>
<th>Out-of-State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition</td>
<td>$10,524</td>
<td>$32,066</td>
</tr>
<tr>
<td>Mandatory Fees</td>
<td>$2,842</td>
<td>$2,842</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$13,366</strong></td>
<td><strong>$34,908</strong></td>
</tr>
<tr>
<td>Room &amp; Board</td>
<td>$12,174</td>
<td>$12,174</td>
</tr>
<tr>
<td><strong>Direct Cost of Attendance</strong></td>
<td><strong>$25,540</strong></td>
<td><strong>$47,082</strong></td>
</tr>
</tbody>
</table>

Does not include costs for books, supplies, transportation, etc.
Financial Aid to Undergraduate Students

UConn is committed to providing financial aid.

<table>
<thead>
<tr>
<th></th>
<th>Amount Awarded</th>
<th>Number of Students</th>
<th>Percent of Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>UConn Grant</td>
<td>$68.8M</td>
<td>10,600</td>
<td>46%</td>
</tr>
<tr>
<td>CT Governor’s Grant</td>
<td>$6.5M</td>
<td>2,393</td>
<td>10%</td>
</tr>
<tr>
<td>Federal SEOG</td>
<td>$0.75M</td>
<td>194</td>
<td>0.8%</td>
</tr>
<tr>
<td>Federal Pell Grant</td>
<td>$23.9M</td>
<td>5,684</td>
<td>25%</td>
</tr>
<tr>
<td>Federal Perkins and Direct Stafford Loans</td>
<td>$75.7M</td>
<td>11,166</td>
<td>49%</td>
</tr>
<tr>
<td>Financial Aid from All Sources</td>
<td>$336M</td>
<td>17,871</td>
<td>78%</td>
</tr>
</tbody>
</table>
For Connecticut residents, UConn offers the best value
In-State Tuition and Fees Compared to Public Competitors

In-state tuition and fee rates at competitor public flagship institutions

- Penn State: $17,514
- University of Vermont: $16,738
- University of Virginia: $14,476
- UMass: $14,356
- Rutgers: $14,131
- UConn: $13,366
- University of Delaware: $12,520
- University of Maryland: $9,996
- Stony Brook: $8,858
- University of North Carolina: $8,562
For non-Connecticut residents, UConn is the second highest cost among public flagship institutions

- Drexel University: $48,756
- Boston College: $48,540
- Boston University: $48,436
- Fordham University: $46,683
- Northeastern: $46,154
- Quinnipiac University: $42,620
- University of Vermont: $39,130
- UConn: $34,908
- University of Delaware: $31,417
- Penn State: $31,346
- University of Maryland: $31,144
- UMass: $30,504
- University of Rhode Island: $28,852

FY16 Published Rates
Consequences of Inaction: What we want to avoid

Possible consequences of inaction:

• Drop in *US News & World Report* rankings
• Closing of Regional Campuses
• Increased class sizes
• Fewer courses offered
• Elimination of sports
• Lack of police and fire personnel
• Scarcity of mental health resources
• Reduced maintenance of facilities
• Less access for low-income students
• Elimination of academic programs or departments
• Less GA/TA support available
Next Steps

• Due to State cuts and rising mandatory costs, UConn is projected to have a Budget Gap in FY17

• UConn will need to address the Budget Gap with multiple solutions, including cost reductions, efficiencies, and increased revenue or the University is in danger of losing the major gains that have been made with respect to academic quality, including faculty hiring, course offerings, and student success

• Need to decide on tuition for FY17 – FY20